

Program 030

**DSHS - Mental Health****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2003-05 Expenditure Authority</b>	3,051.1	663,067	591,761	1,254,828
<b>Total Maintenance Level</b>	3,185.4	746,920	604,404	1,351,324
Difference	134.3	83,853	12,643	96,496
Percent Change from Current Biennium	4.4%	12.6%	2.1%	7.7%
<b>Performance Changes</b>				
Lease, Medical Inflation, and Equipment Reduction		(4,512)	(1,541)	(6,053)
Targeted Vendor Rate Increase		11,646	12,903	24,549
Medicaid Eligible Basic Health Adults		277	278	555
Children's Medical Premiums		(405)	(405)	(810)
Eligibility Reviews		649	649	1,298
Washington Federation of State Employees Cost of Living Adjustment/Salary Survey		8,712	994	9,706
Service Employees International 1199 Cost of Living Adjustment		2,428	320	2,748
Super Coalition Health Benefits		7,817	925	8,742
Classification Revisions		289	43	332
Performance Pay		296	70	366
Nonrepresented Employees Cost of Living Adjustment		1,189	279	1,468
Nonrepresented Employees Health Benefit Change		298	72	370
Pension Method Change		(7,121)	(938)	(8,059)
Nonrepresented Salary Survey Implementation		1,264	237	1,501
General Inflation		(970)	(300)	(1,270)
FTE Staff Adjustment	(.2)			
Transfers	(.1)	(4)	(4)	(8)
CLIP Rate Adjustment		1,350	1,348	2,698
Community Psychiatric Hospital Rate Adjustment		6,290		6,290
Transition Treatment for Children	1.0	1,407	470	1,877
Non-Medicaid Services-Community			(77,600)	(77,600)
Expanding Community Service, Phase 2	(24.3)	(1,670)	(1,669)	(3,339)
State Hospital Forensic Services	70.4	7,995	2,196	10,191
Pharmacy Staffing	4.0	753	231	984
PALS Closure and Support	(49.2)			
Evaluation and Treatment	4.0	1,846	1,486	3,332
Expanding Preventative Medical Services		(5,298)	(1,766)	(7,064)
<b>Subtotal</b>	5.7	34,526	(61,722)	(27,196)
<b>Total Proposed Budget</b>	3,191.1	781,446	542,682	1,324,128
Difference	140.0	118,379	(49,079)	69,300
Percent Change from Current Biennium	4.6%	17.9%	(8.3)%	5.5%
<b>Total Proposed Budget by Activity</b>				
Civil Commitment Less Restrictive Alternatives	67.6	11,778		11,778

## HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Civil Commitment-Sexual Predators	433.5	78,945		78,945
Community Mental Health Prepaid Health Services	17.0	430,955	307,721	738,676
Mental Health Facilities Services	2,672.7	194,814	185,091	379,905
Other Community Mental Health Services	11.0	35,052	39,794	74,846
Special Projects - Mental Health	5.7		2,082	2,082
Program Support - Mental Health	32.3	5,308	4,748	10,056
Compensation Cost Adjustment		24,594	3,246	27,840
<b>Total Proposed Budget</b>	<b>3,239.7</b>	<b>781,446</b>	<b>542,682</b>	<b>1,324,128</b>

## PERFORMANCE LEVEL CHANGE DESCRIPTIONS

### Lease, Medical Inflation, and Equipment Reduction

Eliminates lease, medical inflation, and equipment funding requests.

### Targeted Vendor Rate Increase

Funding is provided for a targeted vendor rate increase. The increase is based on priority vendor services identified as most in need of rate adjustments. The funded level represents a 1.5 percent increase for Fiscal Year 2006 and 2.0 percent for Fiscal Year 2007, and is based on annual inflation estimates.

### Medicaid Eligible Basic Health Adults

As of January 1, 2006, adults who are eligible for Medicaid coverage will no longer be eligible for Basic Health coverage. This change impacts the funding methodology for the regional support networks. (General Fund-State, General Fund-Federal)

### Children's Medical Premiums

Children's medical premiums for families between 150 and 200 percent of the federal poverty level will be delayed through June 2007. The federal government has approved the state's proposal to charge monthly premiums for medical, dental, and mental health coverage of children whose family incomes are above the poverty level. The 2003-05 budget assumed premiums would be implemented as follows: \$10 per child per month for families with incomes between 150 and 200 percent of the poverty level; and \$15 per child per month for families with incomes between 200 and 250 percent of the poverty level. The maximum amount due from any family is capped at three children per household. In light of falling children's caseloads related to other factors, the Governor directed that premiums for families with incomes between 150 and 200 percent of the poverty level be delayed until July 2005. The Medical Assistance Administration forecast assumes the premiums go into effect at that time and funding is added to further delay them. (Health Services Account-State, General Fund-Federal)

### Eligibility Reviews

Children's eligibility reviews will occur every 12 months rather than every six months and, once eligible, children will remain eligible until the next review. These changes are expected to result in 13,246 children remaining on, rather than dropping off, the caseload in Fiscal Year 2007. (General Fund-Federal, Health Services Account-State)

### FTE Staff Adjustment

DSHS will centralize background check FTE staff in the Background Checks Central Unit.

### Transfers

Funding and FTE staff are transferred to centralize funding for certain functions currently split among the various DSHS administrations.

### CLIP Rate Adjustment

The Children's Long-Term Inpatient Program (CLIP) provides critical inpatient services to children under 18 years of age with severe psychiatric impairment warranting intensive services in a restrictive setting. The children cannot be served in any other less restrictive setting because of the severity of their illness. The Mental Health CLIP Facilities have been working in a deficit situation for a number of years without a rate increase. The situation is critical now as one of the

facilities has closed down placing a burden on other facilities and the Child Study Treatment Center. Based on actual cost reports, it is necessary to increase the bed day rate in order to maintain this necessary service. Without this increase the remaining residential facilities are also at risk for closure. This proposal increases the current bed daily rate of \$339 to \$423. (General Fund-State, General Fund-Federal).

#### **Community Psychiatric Hospital Rate Adjustment**

The community hospital system has lost approximately 11% of its bed capacity for serving the mentally ill in the past five years. In order to prevent further erosion of hospital bed capacity, this proposal increases the hospital rates for non-Medicaid clients to parity with Medicaid clients for inpatient, mental health care. On average, the current daily rate for non-Medicaid clients is approximately \$280 a day compared to the daily rate for Medicaid clients of approximately \$720. (General Fund-State, General Fund-Federal)

#### **Transition Treatment for Children**

Children with mental health issues need intensive therapeutic interventions to allow them to remain in the community or to successfully transition back to their natural parents or other permanent placement. The Mental Health Division proposes to develop and implement an evidence-based model that establishes 18 community beds where parents and mental health professionals provide wraparound services in the treatment of the child. This approach will allow communities with few or no options to divert children from the more expensive Children's Long Term Inpatient Program (CLIP) and/or placements in community hospitals. (General Fund State, General Fund-Federal)

#### **Non-Medicaid Services-Community**

Due to recent changes in the federal administration and approval of the state's Mental Health Medicaid Waiver program, the state's 14 Regional Support Networks (RSNs) that administer the community mental health system lost Medicaid funding for certain customers and services. (General Fund-State, General Fund-Federal)

#### **Expanding Community Service, Phase 2**

CMS surveyors would not certify five wards at Western State Hospital (WSH) used for its geriatric patients because many of the patients do not receive active mental health treatment. Many with dementia can no longer be treated for mental illness. The department proposes a two-part strategy to address the needs of its geriatric patients. First, it will extend its expanding Community Service program by moving 60 patients into the community using the savings achieved by closing two wards. These patients will receive quality nursing home care. Second, it will open a new Adult Psychiatric Unit at Western State Hospital. (General Fund-State, General Fund-Federal, General Fund-Private/Local).

#### **State Hospital Forensic Services**

The steady increase of court-ordered evaluations and competency restorations has put considerable pressure on both Eastern State Hospital (ESH) and the Center for Forensic Services (CFS) at Western State Hospital. Inpatient and jail/community evaluations have grown significantly. The average daily wait is over 30 days for an evaluation. WSH has experienced a 53 percent increase in referrals since 2001. The Mental Health Division is provided operational costs for a new CFS ward and additional staffing for off-site forensic evaluation for both ESH and WSH. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

#### **Pharmacy Staffing**

The Joint Commission on Accreditation of Hospital Organizations (JCAHO) found Eastern State Hospital out of compliance in not providing adequate pharmacy coverage during weekends and after normal workday hours. Western State Hospital maintains similar hours. Staffing is provided to expand pharmacy hours for both state psychiatric hospitals. (General Fund-State, General Fund-Private/Local, General Fund-Federal)

#### **PALS Closure and Support**

Clients in Western State Hospital's Program for Adaptive Living Services (PALS) no longer receive active treatment for mental illness and, with proper supports, succeed in community placements. The department will close PALS, representing 95 beds. With the savings, former PALS clients will receive the full array of community support services. A portion of savings will partially fund the opening of an adult ward at WSH. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **Evaluation and Treatment**

In 2004, the Public Consulting Group (PCG) completed a study of current capacity and needs of inpatient and residential behavioral services for adults in Washington State. The conclusions and recommendations identified over-reliance on costly beds at state hospitals and recommended redirecting funding toward the building and development of additional community resources. This item responds to the PCG recommendations by funding the operation of two freestanding evaluation and treatment facilities. In addition, headquarters staff are provided to assist with diverting developmentally disabled clients from the state hospital and funding to complete the residential bed capacity study required by Senate Bill 6358 (section 22). (General Fund-State, General Fund-Federal)

### **Expanding Preventative Medical Services**

This item increases alcohol and drug treatment services levels for adults with co-occurring but chemically dependent related problems. The recipients of these services often require emergency services from other programs in DSHS, such as medical, mental health, and long term care. The expansion of the program will be phased in over the biennium with the goal to reach 40 percent penetration by the end of Fiscal Year 2006 and 60 percent penetration of potential clients by the end of Fiscal Year 2007. Savings are represented in the budgets for Medical Assistance, Long-Term Care, and Mental Health. (General Fund State, General Fund-Federal)

## **ACTIVITY DESCRIPTIONS**

### **Civil Commitment Less Restrictive Alternatives**

Less restrictive alternatives (LRAs) include Secure Community Transition Facilities (SCTFs) and community placements. SCTFs provide less restrictive, alternative residential living and community transitional services for sex offenders who have been civilly committed under the law and have received court-ordered conditional release from total confinement. The Pierce County SCTF is located on McNeil Island, adjacent to the Special Commitment Center. Included in its funding is mitigation for local jurisdictions. The King County SCTF is to be located on Spokane Street within the city of Seattle, and will house and supervise up to six residents. The community program includes staff to administer the process of locating and evaluating potential SCTF sites and other civil commitment off-island LRAs, and includes individual placements and placements in group settings in the community.

### **Civil Commitment-Sexual Predators**

The Special Commitment Center (SCC) located on McNeil Island completes evaluations, custody, and care and treatment of individuals who have pending petitions for civil commitment or have been civilly committed as sexually violent predators under the law. Residents are encouraged to participate in a six-level program structured to enable them to be prepared for reunification with the community. Included in SCC are administrative staff located in Steilacoom.

### **Community Mental Health Prepaid Health Services**

Mental Health Community Services provides financial support and program direction for community mental health programs delivered by Regional Support Networks and prepaid health plans. Programs include mental health services that implement the Involuntary Treatment Act, and mandated and optional mental health services for voluntary populations that include the acutely mentally ill, chronically mentally ill, and seriously disturbed of all ages. Services include outpatient, inpatient, acute care, emergency, day treatment, consultation and education, employment services, and Medicaid transportation. Community support services include screening of voluntary referrals to state hospitals; discharge planning with the hospitals; crisis response; case management for chronic clients in the community; and residential programs that supervise, support, treat, and rehabilitate adults and children.

### **Mental Health Facilities Services**

State psychiatric hospitals include Eastern and Western State Hospitals, and the Child Study and Treatment Center. Services include inpatient psychiatric services for acutely and chronically mentally ill persons, mentally ill legal offenders, geriatric patients at Eastern and Western State Hospitals, and inpatient psychiatric services for severely disturbed children and adolescents at the Child Study and Treatment Center.

**Other Community Mental Health Services**

This activity has four service components: Children's Long-Term Inpatient Services (CLIP), the Clark County school project, Community Transition Support Services for former state hospital patients, and a federal Mental Health Block Grant. Children's Long-Term Inpatient Services provides inpatient services to mentally ill children. The Clark County school project provides intensive mental health services in a school setting for severely emotionally disturbed children who are Medicaid-eligible. Community Transition Support Services are for people who no longer require hospital level of care for their psychiatric treatment or meet the criteria for state hospital inpatient involuntary commitment, but whose treatment needs still result in substantial barriers to community placement. The federal block grant provides funds for activities such as the Mental Health Planning and Advisory Council, as well as training, education, and support services to consumers, mental health professionals, and advocates.

**Special Projects - Mental Health**

This activity funds special projects for mental health, including projects and grants to demonstrate service delivery to the homeless, mentally ill offenders, and family support projects.

**Program Support - Mental Health**

These costs represent administrative and technical support for all programs within the Mental Health Administration, including policy development, fiscal planning, information services, and legislative and regional coordination.

**Compensation Cost Adjustment**

This item reflects proposed compensation and benefit cost adjustments that were not allocated to individual agency activities. The agency will assign these costs to the proper activities after the budget is enacted.